

**NOTICE OF PUBLIC PARTICIPATION HEARING:
CALIFORNIA WATER SERVICE'S REQUEST TO INCREASE RATES IN ITS
GENERAL RATE CASE APPLICATION NO. A.15-07-015
SELMA SERVICE AREA**

**Thursday, September 8, 2016, at 6:00 p.m
Visalia Convention Center- Kings Canyon Room
303 East Acequia Ave.
Visalia, CA 93291**

The California Public Utilities Commission (CPUC) wants to hear from you. A Public Participation Hearing (PPH) has been scheduled for customers in the Selma District at the date, time, and location noted above to receive your comments about California Water Service's (Cal Water) General Rate Case (GRC) application (A.15-07-015).

A CPUC Administrative Law Judge (Judge) will preside at the PPH to listen to concerns, comments, and opinions on the proposed application. One or more Commissioners may attend, but **no decisions will be reached at this hearing**. All public comments from this PPH will be included in the formal record of this proceeding and become public record.

The hearing location is wheelchair accessible. A Spanish language translator will be at the hearing for those who need it. If you need a different non-English language translator or special assistance, please contact the CPUC's Public Advisor's Office (PAO) at the address listed at the bottom of this notice at least five days in advance of the hearing date. If you cannot attend the PPH, you may submit your comments via a letter or email to the PAO.

Cal Water's Application

Every three years, Cal Water is required to file a GRC with the CPUC to ensure water rates reflect the cost of providing water service. On July 9, 2015, Cal Water filed its 2015 GRC application requesting approval to increase rates overall by \$94,838,100 (or 16.5%) in 2017, \$22,959,600 (or 3.4%) in 2018, and \$22,588,200 (or 3.3%) in 2019. In the Selma District, Cal Water requests revenue increases of \$1,243,000 (or 24.6%) for 2017, \$141,000 (or 2.2%) for 2018 and \$138,000 (or 2.1%) for 2019. The total revenue increase over the three years in the Selma District would be \$1,522,000 (or 30.1%).

Selma Revenue Increases (by type of service, numbers have been rounded)

<i>Type of Service Provided</i>	<i>2017 Increase</i>		<i>2018 Increase</i>		<i>2019 Increase</i>	
Residential Metered Service	\$1,188,000	34.6%	\$114,000	2.4%	\$102,000	2.2%
Residential Flat Metered Service	\$3,000	34.6%	N/A**	N/A**	N/A**	N/A**
Total Residential Service	\$1,192,000	34.6%	\$114,000	2.4%	\$102,000	2.2%
Nonresidential Metered Service*	\$425,000	34.6%	\$40,000	2.4%	\$36,000	2.2%

*Nonresidential Metered Service applies to all customer classes that are not residential (such as business, multi-family, and public authority customers) and do not have a separate tariff.

**Flat-rate customers will be converted to metered billing.

Typical Customer Impact

The bills for a typical residential customer in Selma with a 5/8" x 3/4" meter using 16,457 gallons (22 Ccf) of water per month would resemble those below. **These numbers do not include surcharges and credits.**

Selma Typical Residential Customer Bill Increase

	<i>Jul 2015</i>	<i>2017</i>			<i>2018</i>			<i>2019</i>		
<i>Residential Customer</i>	<i>Bill</i>	<i>Increase</i>		<i>Bill</i>	<i>Increase</i>		<i>Bill</i>	<i>Increase</i>		<i>Bill</i>
5/8" x 3/4" meter	\$49.52	\$17.11	34.6%	\$66.63	\$1.63	2.4%	\$68.25	\$1.47	2.2%	\$69.72
Flat-rate	\$66.53	\$22.99	34.6%	\$89.52	N/A**	N/A**	N/A**	N/A**	N/A**	N/A**

**Flat-rate customers will be converted to metered billing.

Reasons for Increase

Cal Water has been providing water to California communities for nearly 90 years, and many of the facilities used for water service have reached the end of their useful lives. For the Selma District, most of Cal Water's requested revenue increases are made up of the following components:

- Projected Water Supply Costs (1.7%)
- Water infrastructure improvements (67.9%)
- Projected operation and maintenance expenses (30.4%)

Cal Water's proposed rates for 2017-2019 would become effective on January 1, 2017. The rate increases for 2018 and 2019 are calculated using the most recent inflation factors provided by the CPUC. The CPUC requires that Cal Water use a simplified, inflation-based, escalation methodology for its proposed rates for 2018 and 2019.

Obtaining a Copy of the Application

A copy of Cal Water's proposed GRC application and related exhibits may be reviewed at Cal Water's office, located at 2042 Second Street, Selma, CA 93662, (559) 896-4546. An electronic or paper copy of the application and related exhibits will be provided by Cal Water upon written request to California Water Service Company, 1720 North First Street, San Jose, CA 95112-4598. Copies are also available to review at the CPUC's Central Files Office in San Francisco by appointment. For more information, please contact them at ajcentralfilesid@cpuc.ca.gov or (415) 703-2045.

The CPUC's Process

This application has been assigned to a Judge who will determine how to receive evidence and other related documents necessary for the CPUC to establish a record upon which to base its decision. Evidentiary hearings may be held where utilities, consumer advocacy groups, and other entities which have been given official status as "parties" will present their testimony and may be subject to cross-examination by other parties. These evidentiary hearings are open to the public, but only those who are parties may participate. The hearings and documents submitted in the proceeding become part of the formal record that the Judge relies upon when writing a proposed decision to present to the Commissioners for their consideration.

After considering all proposals and all evidence presented during the formal hearing process, the Judge will issue a proposed decision determining whether to adopt Cal Water's request, modify it, or deny it. Any of the CPUC's Commissioners may sponsor an alternate decision. The proposed decision and any alternate decisions will be discussed and voted upon at a scheduled Commission Voting Meeting.

As a party of record, the Office of Ratepayer Advocates (ORA) has reviewed this application. ORA is the independent consumer advocate within the CPUC with a legislative mandate to represent investor-owned utility customers to obtain the lowest possible rate for service consistent with reliable and safe service levels. ORA has a multi-disciplinary staff with expertise in economics, finance, accounting, and engineering. For more information about ORA, please call (415) 703-1584, e-mail ora@cpuc.ca.gov, or visit ORA's website at www.ora.ca.gov.

Stay Informed

If you would like to follow this proceeding, or any other issue before the CPUC, you may use the CPUC's free subscription service. Sign up at <http://subscribecpuc.cpuc.ca.gov/>.

If you would like to learn how you can participate in the proceeding, have informal comments, or have questions about the CPUC's processes, you may access the CPUC's Public Advisor's webpage at <http://consumers.cpuc.ca.gov/pao/>. You may also contact the Public Advisor as follows:

Email: public.advisor@cpuc.ca.gov

Write: CPUC

Public Advisor's Office

505 Van Ness Avenue

San Francisco, CA 94102

Phone: 1-866-849-8390 (toll-free) or 1-415-703-2074

1-866-836-7825 (toll-free) or TTY 1-415-703-5282

Please reference **Cal Water's GRC Application No. 15-07-015** in any communications you have with the CPUC regarding this matter. All public comments will become part of the public correspondence file for this proceeding and be made available for review for the assigned Judge, the Commissioners, and appropriate CPUC staff.